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## IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

(Judge Berle M. Schiller)

THE EINSTEIN ACADEMY CHARTER : SCHOOL, :

Plaintiff

Vs. : Civil Action No. 02-2880

TUTORBOTS, INC., et al.,

Defendants

And

FAIRFIELD AREA SCHOOL

DISTRICT, GETTYSBURG AREA SCHOOL DISTRICT, UPPER ADAMS

SCHOOL DISTRICT, LITTLESTOWN

AREA SCHOOL DISTRICT,

BERMUDIAN SPRINGS SCHOOL

DISTRICT, CENTENNIAL SCHOOL

DISTRICT, BUTLER AREA SCHOOL

DISTRICT, KARNS CITY AREA

SCHOOL DISTRICT, MARS AREA

SCHOOL DISTRICT, MONITEAU

AREA SCHOOL DISTRICT, SENECA

VALLEY SCHOOL DISTRICT.

SLIPPERY ROCK AREA SCHOOL

DISTRICT, SOUTH BUTLER COUNTY

SCHOOL DISTRICT, PENN CAMBRIA

SCHOOL DISTRICT, BLACKLICK

VALLEY SCHOOL DISTRICT,

GREATER JOHNSTOWN SCHOOL

DISTRICT, CENTRAL CAMBRIA

SCHOOL DISTRICT,

DOWNINGTOWN AREA SCHOOL

DISTRICT, PHOENIXVILLE AREA SCHOOL DISTRICT, GREAT VALLEY SCHOOL DISTRICT, OCTORARA AREA SCHOOL DISTRICT, OXFORD AREA SCHOOL DISTRICT. COATESVILLE AREA SCHOOL DISTRICT, AVON GROVE SCHOOL DISTRICT, OWEN J. ROBERTS SCHOOL DISTRICT, BALD EAGLE AREA SCHOOL DISTRICT, PENNS VALLEY AREA SCHOOL DISTRICT, STATE COLLEGE AREA SCHOOL DISTRICT, BELLEFONTE AREA SCHOOL DISTRICT, CRAWFORD CENTRAL SCHOOL DISTRICT, PENNCREST SCHOOL DISTRICT, CARLISLE AREA SCHOOL DISTRICT, BIG SPRING SCHOOL DISTRICT, SOUTH MIDDLETON SCHOOL DISTRICT, MECHANICSBURG SCHOOL DISTRICT, EAST PENNSBORO SCHOOL DISTRICT, HARRISBURG SCHOOL DISTRICT, CENTRAL DAUPIN SCHOOL DISTRICT. HALIFAX SCHOOL DISTRICT. MILLERSBURG AREA SCHOOL DISTRICT, RIDLEY SCHOOL DISTRICT, ROSE TREE MEDIA SCHOOL DISTRICT, CHESTER-UPLAND SCHOOL DISTRICT. WILLIAM PENN SCHOOL DISTRICT, HAVERFORD TOWNSHIP SCHOOL DISTRICT. PENN-DELCO SCHOOL DISTRICT, SPRINGFIELD SCHOOL DISTRICT, WALLINGFORD-SWARTHMORE SCHOOL DISTRICT, SOUTHEAST DELCO SCHOOL DISTRICT, NORTHWESTERN AREA SCHOOL DISTRICT. CHAMBERSBURG AREA SCHOOL DISTRICT, WAYNESBORO AREA SCHOOL DISTRICT, GREENCASTLE-ANTRIM SCHOOL DISTRICT. TUSCARORA SCHOOL DISTRICT, SHIPPENSBURG AREA SCHOOL

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DISTRICT, BLAIRSVILLE-SALTSBURG SCHOOL DISTRICT, INDIANA AREA SCHOOL DISTRICT, PENNS MANOR AREA SCHOOL DISTRICT, HOMER CENTER SCHOOL DISTRICT, BROOKVILLE AREA SCHOOL DISTRICT, PUNXSUTAWNEY AREA SCHOOL DISTRICT, CONESTOGA VALLEY SCHOOL DISTRICT, ELIZABETHTOWN AREA SCHOOL DISTRICT, EPHRATA AREA SCHOOL DISTRICT, DONEGAL AREA SCHOOL DISTRICT, HEMPFIELD AREA SCHOOL DISTRICT. LAMPETER-STRASBURG SCHOOL DISTRICT, MANHEIM CENTRAL SCHOOL DISTRICT, MANHEIM TOWNSHIP SCHOOL DISTRICT, PENN MANOR SCHOOL DISTRICT, PEQUEA VALLEY SCHOOL DISTRICT, SOLANCO SCHOOL DISTRICT, WARWICK SCHOOL DISTRICT, CORNWALL-LEBANON SCHOOL DISTRICT, EASTERN LEBANON COUNTY SCHOOL DISTRICT, EAST STROUDSBURG AREA SCHOOL DISTRICT. PLEASANT VALLEY SCHOOL DISTRICT, POCONO MOUNTAIN AREA SCHOOL DISTRICT. STROUDSBURG AREA SCHOOL DISTRICT, ABINGTON SCHOOL DISTRICT, CHELTENHAM TOWNSHIP SCHOOL DISTRICT, HATBORO-HORSHAM SCHOOL DISTRICT, POTTSGROVE AREA SCHOOL DISTRICT, POTTSTOWN SCHOOL DISTRICT, SOUDERTON AREA SCHOOL DISTRICT, SPRING-FORD AREA SCHOOL DISTRICT. UPPER DUBLIN SCHOOL DISTRICT, UPPER MERION AREA SCHOOL DISTRICT, UPPER PERKIOMEN SCHOOL DISTRICT, WEST PERRY SCHOOL DISTRICT, NEWPORT

SCHOOL DISTRICT, SCHOOL DISTRICT OF PHILADELPHIA, DELAWARE VALLEY SCHOOL DISTRICT, CRANBERRY AREA SCHOOL DISTRICT, FRANKLIN AREA SCHOOL DISTRICT, OIL CITY AREA SCHOOL DISTRICT, VALLEY GROVE SCHOOL DISTRICT, BELLE VERNON AREA SCHOOL DISTRICT, KISKI AREA SCHOOL DISTRICT, LIGONIER VALLEY SCHOOL DISTRICT, BURRELL SCHOOL DISTRICT, FRANKLIN REGIONAL SCHOOL DISTRICT, GREATER LATROBE SCHOOL DISTRICT, TUNKHANNOCK SCHOOL DISTRICT, YORK SUBURBAN SCHOOL DISTRICT, DOVER AREA SCHOOL DISTRICT, EASTERN YORK AREA SCHOOL DISTRICT, SOUTHERN YORK COUNTY SCHOOL DISTRICT, SOUTHEASTERN SCHOOL DISTRICT, WEST SHORE SCHOOL DISTRICT, SPRING GROVE SCHOOL DISTRICT, WEST YORK AREA SCHOOL DISTRICT, and RED LION SCHOOL DISTRICT. Intervenors

### Motion of One Hundred and Fourteen School Districts to Ask the Court to Reconsider Its Order Denying Their Motion to Intervene

AND NOW, come the one hundred and fourteen school districts named in the caption, (hereafter "School Districts"), by and through their attorneys, the Levin Legal Group, P.C., who file this Motion to Intervene pursuant to F.R.C.P. 24, and who, in support thereof, aver as follows:

- 1. The plaintiff in this action, The Einstein Academy Charter School ("Einstein"), filed this action on or about May 14, 2002.
- 2. The Complaint contained eleven counts.
- The first count was for both preliminary and permanent injunctive relief.
- 4. The remaining counts sought money damages for alleged violation of the Lanham Act (Counts II and III), money damages for alleged violation of the Pennylvania Unfair Trade Practices Act (Count IV), money damages for misappropriation of trade secrets (Count V), money damages for alleged breach of contract (Count VI), money damages for allege conversion (Count VII), money damages for unjust enrichment (Count VIII), an accounting for money defendant Tutorbots, Inc. received (Count IX), and the imposition of express and constructive trusts on "the millions of dollars" (¶ 75) Tutorbots received.
- 5. The Intervenor School Dstricts who filed this motion have been seeking, in litigation throughout the Commonwealth of Pennsylvania, to get those "millions of dollars" to which the Complaint refers returned to them, as that money ultimately came from the funds the Pennsylvania Department of Education deducted from the subsidies owed to the Intervenor School Dstricts, or directly from the School Districts themselves; and the Intervenor School Districts never should

- have paid any of that money, as described more fully in the School Districts' Motion to Intervene and accompanying papers.
- 6. On May 17, 2002, Plaintiff and defendant entered into a Consent Order which disposed of the need for a preliminary injunction.
- 7. That Consent Order did not mention the other ten counts of the complaint, including the dispute over "millions of dollars."
- 8. That Consent Order did not mention dismissing the case.
- 9. Indeed, the dispute over the "millions of dollars" remains a matter of significant controversy between all the parties, including Plaintiff, Defendant and the Intervenor School Districts.
- 10. The Court, however, denied the intervenor's Motion to Intervene "as moot," and communications from Court personnel suggest the reason this motion was seen as moot is the Court views the case as closed.
- 11. On or about June 12, 2002, Einstein moved this Court to reconsider its view that the case is fully resolved, because of the remaining ten counts seeking, *inter alia*, money damages that could total millions of dollars.
- 12. As long as this remains an active controversy, the Intervenor School Districts need to be involved for all the reasons stated in their original motion.

WHEREFORE, the Intervenor School Districts respectfully request that the Court reconsider its ruling to deny their Motion to Intervene as moot, and to instead entertain their Motion to Intervene on its merits.

Respectfully submitted,

LEVIN LEGAL GROUP, P.C.

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THE EINSTEIN ACADEMY CHARTER: SCHOOL,

Plaintiff

Civil Action No. 02-2880 Vs.

TUTORBOTS, INC., et al., (Judge Berle M. Schiller)

Defendants

And

FAIRFIELD AREA SCHOOL DISTRICT, GETTYSBURG AREA SCHOOL DISTRICT, UPPER ADAMS SCHOOL DISTRICT, LITTLESTOWN AREA SCHOOL DISTRICT, BERMUDIAN SPRINGS SCHOOL DISTRICT, CENTENNIAL SCHOOL DISTRICT, BUTLER AREA SCHOOL DISTRICT, KARNS CITY AREA SCHOOL DISTRICT, MARS AREA SCHOOL DISTRICT, MONITEAU AREA SCHOOL DISTRICT, SENECA VALLEY SCHOOL DISTRICT, SLIPPERY ROCK AREA SCHOOL DISTRICT, SOUTH BUTLER COUNTY SCHOOL DISTRICT, PENN CAMBRIA SCHOOL DISTRICT, BLACKLICK VALLEY SCHOOL DISTRICT, GREATER JOHNSTOWN SCHOOL DISTRICT, CENTRAL CAMBRIA

SCHOOL DISTRICT. DOWNINGTOWN AREA SCHOOL DISTRICT, PHOENIXVILLE AREA SCHOOL DISTRICT, GREAT VALLEY SCHOOL DISTRICT, OCTORARA AREA SCHOOL DISTRICT, OXFORD AREA SCHOOL DISTRICT, COATESVILLE AREA SCHOOL DISTRICT, AVON GROVE SCHOOL DISTRICT, OWEN J. ROBERTS SCHOOL DISTRICT, BALD EAGLE AREA SCHOOL DISTRICT, PENNS VALLEY AREA SCHOOL DISTRICT. STATE COLLEGE AREA SCHOOL DISTRICT, BELLEFONTE AREA SCHOOL DISTRICT, CRAWFORD CENTRAL SCHOOL DISTRICT, PENNCREST SCHOOL DISTRICT, CARLISLE AREA SCHOOL DISTRICT, BIG SPRING SCHOOL DISTRICT, SOUTH MIDDLETON SCHOOL DISTRICT, MECHANICSBURG SCHOOL DISTRICT, EAST PENNSBORO SCHOOL DISTRICT, HARRISBURG SCHOOL DISTRICT, CENTRAL DAUPIN SCHOOL DISTRICT, HALIFAX SCHOOL DISTRICT. MILLERSBURG AREA SCHOOL DISTRICT, RIDLEY SCHOOL DISTRICT, ROSE TREE MEDIA SCHOOL DISTRICT, CHESTER-UPLAND SCHOOL DISTRICT, WILLIAM PENN SCHOOL DISTRICT. HAVERFORD TOWNSHIP SCHOOL DISTRICT, PENN-DELCO SCHOOL DISTRICT, SPRINGFIELD SCHOOL DISTRICT, WALLINGFORD-SWARTHMORE SCHOOL DISTRICT, SOUTHEAST DELCO SCHOOL DISTRICT, NORTHWESTERN AREA SCHOOL DISTRICT, CHAMBERSBURG AREA SCHOOL DISTRICT. WAYNESBORO AREA SCHOOL DISTRICT, GREENCASTLE-ANTRIM SCHOOL DISTRICT.

TUSCARORA SCHOOL DISTRICT. SHIPPENSBURG AREA SCHOOL DISTRICT, BLAIRSVILLE-SALTSBURG SCHOOL DISTRICT, INDIANA AREA SCHOOL DISTRICT. PENNS MANOR AREA SCHOOL DISTRICT, HOMER CENTER SCHOOL DISTRICT, BROOKVILLE AREA SCHOOL DISTRICT, PUNXSUTAWNEY AREA SCHOOL DISTRICT, CONESTOGA VALLEY SCHOOL DISTRICT, ELIZABETHTOWN AREA SCHOOL DISTRICT, EPHRATA AREA SCHOOL DISTRICT, DONEGAL AREA SCHOOL DISTRICT, HEMPFIELD AREA SCHOOL DISTRICT, LAMPETER-STRASBURG SCHOOL DISTRICT, MANHEIM CENTRAL SCHOOL DISTRICT, MANHEIM TOWNSHIP SCHOOL DISTRICT, PENN MANOR SCHOOL DISTRICT, PEOUEA VALLEY SCHOOL DISTRICT, SOLANCO SCHOOL DISTRICT, WARWICK SCHOOL DISTRICT, CORNWALL-LEBANON SCHOOL DISTRICT, EASTERN LEBANON COUNTY SCHOOL DISTRICT, EAST STROUDSBURG AREA SCHOOL DISTRICT, PLEASANT VALLEY SCHOOL DISTRICT, POCONO MOUNTAIN AREA SCHOOL DISTRICT, STROUDSBURG AREA SCHOOL DISTRICT, ABINGTON SCHOOL DISTRICT, CHELTENHAM TOWNSHIP SCHOOL DISTRICT, HATBORO-HORSHAM SCHOOL DISTRICT, POTTSGROVE AREA SCHOOL DISTRICT. POTTSTOWN SCHOOL DISTRICT, SOUDERTON AREA SCHOOL DISTRICT, SPRING-FORD AREA SCHOOL DISTRICT, UPPER DUBLIN SCHOOL DISTRICT. UPPER MERION AREA SCHOOL DISTRICT, UPPER PERKIOMEN

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SCHOOL DISTRICT, WEST PERRY SCHOOL DISTRICT, NEWPORT SCHOOL DISTRICT, SCHOOL DISTRICT OF PHILADELPHIA, DELAWARE VALLEY SCHOOL DISTRICT, CRANBERRY AREA SCHOOL DISTRICT, FRANKLIN AREA SCHOOL DISTRICT, OIL CITY AREA SCHOOL DISTRICT, VALLEY GROVE SCHOOL DISTRICT, BELLE VERNON AREA SCHOOL DISTRICT, KISKI AREA SCHOOL DISTRICT, LIGONIER VALLEY SCHOOL DISTRICT, BURRELL SCHOOL DISTRICT, FRANKLIN REGIONAL SCHOOL DISTRICT, GREATER LATROBE SCHOOL DISTRICT, TUNKHANNOCK SCHOOL DISTRICT, YORK SUBURBAN SCHOOL DISTRICT, DOVER AREA SCHOOL DISTRICT, EASTERN YORK AREA SCHOOL DISTRICT, SOUTHERN YORK COUNTY SCHOOL DISTRICT, SOUTHEASTERN SCHOOL DISTRICT, WEST SHORE SCHOOL DISTRICT, SPRING GROVE SCHOOL DISTRICT, WEST YORK AREA SCHOOL DISTRICT, and RED LION SCHOOL DISTRICT, Intervenors

#### <u>ORDER</u>

AND NOW, this day of , 2002, upon the Motion of One Hundred and Fourteen School Districts that this Court reconsider its earlier ruling denying their Motion to Intervene as moot, the Court will GRANT the Motion to Reconsider and instead entertain the original Motion to Intervene on its merits. The Plaintiff

and Defendant will have ten days from the date of this Order to respond to the original Motion to Intervene.

Berle M. Schiller, J.

Michael I. Levin, Esquire Attorney ID: 21232 Levin Legal Group, P.C. 1402 Masons Mill Business Park 1800 Byberry Road Huntingdon Valley, PA 19006 (215) 938-6378 (Counsel for Intervenors)

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Defendants

And

FAIRFIELD AREA SCHOOL DISTRICT, GETTYSBURG AREA SCHOOL DISTRICT, UPPER ADAMS SCHOOL DISTRICT, LITTLESTOWN AREA SCHOOL DISTRICT, BERMUDIAN SPRINGS SCHOOL DISTRICT, CENTENNIAL SCHOOL DISTRICT, BUTLER AREA SCHOOL DISTRICT, KARNS CITY AREA SCHOOL DISTRICT, MARS AREA SCHOOL DISTRICT, MONITEAU AREA SCHOOL DISTRICT, SENECA VALLEY SCHOOL DISTRICT, SLIPPERY ROCK AREA SCHOOL DISTRICT, SOUTH BUTLER COUNTY SCHOOL DISTRICT, PENN CAMBRIA SCHOOL DISTRICT, BLACKLICK VALLEY SCHOOL DISTRICT. GREATER JOHNSTOWN SCHOOL DISTRICT, CENTRAL CAMBRIA SCHOOL DISTRICT,

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SCHOOL DISTRICT, NEWPORT SCHOOL DISTRICT, SCHOOL DISTRICT OF PHILADELPHIA. DELAWARE VALLEY SCHOOL DISTRICT, CRANBERRY AREA SCHOOL DISTRICT, FRANKLIN AREA SCHOOL DISTRICT, OIL CITY AREA SCHOOL DISTRICT, VALLEY GROVE SCHOOL DISTRICT, BELLE VERNON AREA SCHOOL DISTRICT. KISKI AREA SCHOOL DISTRICT, LIGONIER VALLEY SCHOOL DISTRICT, BURRELL SCHOOL DISTRICT, FRANKLIN REGIONAL SCHOOL DISTRICT, GREATER LATROBE SCHOOL DISTRICT, TUNKHANNOCK SCHOOL DISTRICT, YORK SUBURBAN SCHOOL DISTRICT, DOVER AREA SCHOOL DISTRICT, EASTERN YORK AREA SCHOOL DISTRICT, SOUTHERN YORK COUNTY SCHOOL DISTRICT. SOUTHEASTERN SCHOOL DISTRICT, WEST SHORE SCHOOL DISTRICT, SPRING GROVE SCHOOL DISTRICT, WEST YORK AREA SCHOOL DISTRICT. and RED LION SCHOOL DISTRICT, Intervenors

# MEMORANDUM OF LAW IN SUPPORT OF THE MOTION OF ONE HUNDRED FOURTEEN SCHOOL DISTRICTS TO HAVE THE COURT RECONSIDER ITS DENIAL OF THEIR MOTION TO INTERVENE AS MOOT.

The Einstein Academy Charter School ("Einstein") filed this action against Tutorbots, Inc. ("Tutorbots") seeking a vast array of relief from Tutorbots, including damages for breaches of contract, the Pennsylvania Unfair Trade Practices Act,

the Lanham Act, and for conversion. In addition, Einstein sought to impose a trust on the "millions of dollars" (Complaint at ¶ 75) Tutorbots collected, ultimately, from money that otherwise would have come to the Intervenor School Districts, and also sought to obtain an accounting of those funds. Einstein also sought injunctive relief, both preliminary and permanent.

Both parties in the case at bar are fighting about money they took from the School Districts and which the School Districts already have been seeking to get back. All the money Einstein Academy Charter School ("Einstein") claims Tutorbots, Inc. ("Tutorbots") owes to Einstein is in fact money the Commonwealth's Department of Education withheld from the School Districts, amounting to millions of dollars, money to which the School Districts themselves are entitled. Where the Complaint in paragraph 2 speaks of "profits that defendant Tutorbots, Inc. realized from its contract with Einstein," the same profits for which the complaint seeks an accounting of the imposition of a trust, the Complaint is speaking of profits made because the Department of Education gave money to "Einstein/Tutorbots" instead of to the School Districts. What's worse, the money was taken from the School Districts and paid by the Pennsylvania Department of Education largely as a result of illegal conduct and fraudulent misrepresentations.

As the money Einstein sought from Tutorbots belongs to the Intervenor School Districts, and since the Intervenor School Districts definitely want that money returned to them, they filed their original Motion to Intervene. Unfortunately, that motion has been dismissed as most although it is very much a living controversy.

The preliminary injunctive relief Einstein sought has been resolved through a Consent Order, filed May 17, 2002. That consent order, however, has done nothing

about the outstanding claims for "millions of dollars." That Consent Order in fact did nothing to address ten of the original eleven counts in the complaint. Indeed, Einstein soon will be filing, if it has not done so yet, the appropriate motion with this Court to make it clear that this case is still not resolved. The action in this Court remains very

much alive.

As long as the action in this Court remains a living controversy, then so does the claim of the Intervenor School Districts for the money at the heart of this action. As long as the action in this Court is not resolved, the Intervenor School Districts have a significant stake. Therefore, the Intervenor School districts respectfully request that the Court reconsider its decision to deny the School District's Motion to Intervene as moot. Instead, the Court should consider their Motion to Intervene on the merits.

Respectfully submitted,

LEVIN LEGAL GROUP, P.C.

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Michael I. Levin, Esquire (Counsel for Intervening School Districts) 1402 Masons Mill Business Park 1800 Byberry Road Huntingdon Valley, PA 19006 (215) 938-6378

#### **CERTIFICATE OF SERVICE**

I, John Randolph Prince, hereby certify that on this day of June, 2002, I caused the foregoing to be served upon the following by first-class mail at the addresses listed below:

Howard D. Scher, Esquire Francis X. Taney, Esquire Buchanan Ingersoll, P.C. 11 Penn Center 1835 Market Street, 14<sup>th</sup> Floor Philadelphia, Pennsylvania 19103 Counsel for Plaintiff

Philip M. Stinson, Sr., Esquire University Technology Park 1450 Edgmont Avenue, Suite 200 Chester, Pennsylvania 19013-3934 Counsel for Defendants

Jo	ohn Ra	ndolph :	Prince